

Quarterly KPIs: 2017/2018

As at December 2017

Introduction

To enable transparency and as part of our journey to become operationally excellent, these Authorisations Quarterly Key Performance Indicators (KPIs) provide key metrics on the performance of the FCA's Authorisations Division.

What is in this publication?

We publish our service standards on our 'Measuring our Performance' webpages, along with these quarterly KPIs, covering the number of applications received and in flight, and the distribution of processing times and outcomes. Details of applicable services standards are provided in appendices.

We provide KPIs for:

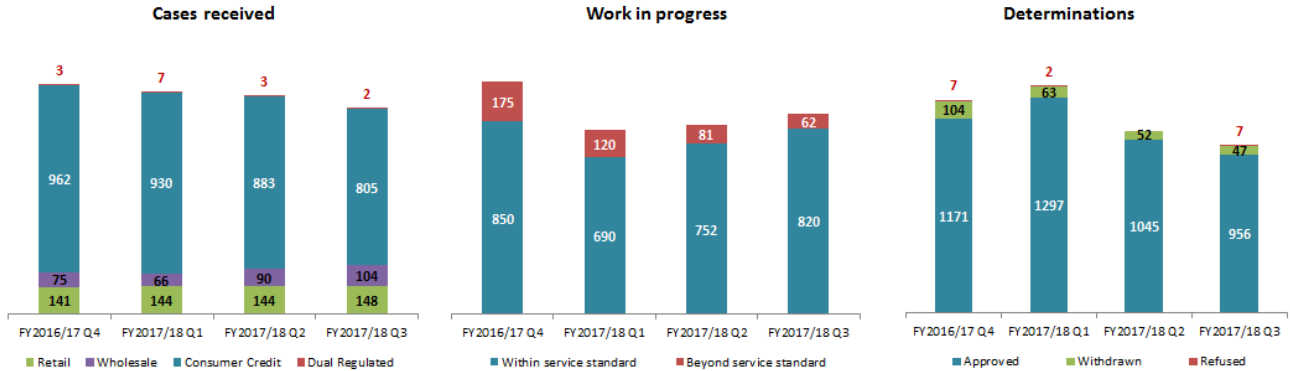
- Authorisations;
- Cancellations;
- Variations of Permission;
- Payment Services and E-money;
- Waivers;
- Change in Control;
- Approved Persons; and
- Passporting.

Minimum, maximum, mean average, modal (ie most common) and median average processing times are provided by quarter. In addition, open and closed cases that have exceeded service standard timings are shown.

Authorisations quarterly KPIs: 2017/2018

Authorisations: to process a firm application for a Part 4A permission

(Applicable service standards: Appendix I)



| Processing times of cases completed in quarter (weeks) | | | | | |
|--|-----|------|------|--------|-------|
| | Min | Mean | Mode | Median | Max |
| FY2016/17 Q4 | <1 | 15.5 | <1 | 8.9 | 118.6 |
| FY2017/18 Q1 | <1 | 12.5 | <1 | 6 | 132.3 |
| FY2017/18 Q2 | <1 | 12.7 | <1 | 5.9 | 141 |
| FY2017/18 Q3 | <1 | 11.2 | <1 | 6.4 | 152.7 |

| Service standards | | | |
|-------------------|--------------------------------|---|------------------------------|
| | Cases required within standard | Of those required, cases determined within standard | % determined within standard |
| FY2016/17 Q4 | 1469 | 1439 | 98.0% |
| FY2017/18 Q1 | 935 | 924 | 98.8% |
| FY2017/18 Q2 | 987 | 979 | 99.2% |
| FY2017/18 Q3 | 1223 | 1217 | 99.5% |

Wholesale Authorisation cases received increased by 16% in Q3. The single new breach in Q3, relates to an case which has been referred to our Regulatory Decisions Committee and may go on to tribunal. Retail application receipts are constant throughout this year. Consumer Credit applications received during this quarter reduced by 10%, partly for seasonal reasons but also due to the sector continuing to stabilise.

Timelines for dual-regulated firms are set by the PRA. However, for transparency and completeness, we include the cases here. We consider dual-regulated cases closed as at the time we communicate our decision to the PRA. Overall volumes for new authorisations are low but these cases required an average of 30 weeks to process, from date of receipt to communication to PRA, during the four quarters. Pre-application and mobilisation cases are excluded from the figures.

The number of cases beyond service standard continues to reduce and reflects remaining complex consumer credit and peer to peer firms. There remain a very small number of outstanding decisions in this population.

For retail and consumer credit cases, the increase in work in progress is a result of a decrease in determination volume reflecting seasonal factors.

Glossary:

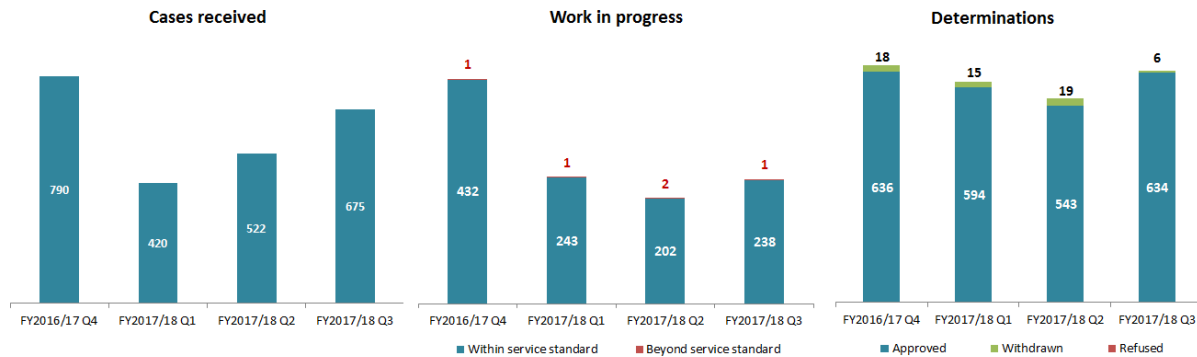
- Retail: Solo-regulated retail investment firms
- Wholesale: Solo-regulated wholesale investment firms
- Consumer Credit: Solo-regulated firms carrying on credit-related regulated activities
- Dual-regulated: Firms regulated by both the Prudential Regulation authority (PRA) and the FCA.

Note that solo-regulated firms may fall into more than one of the above categories. Cases are assigned to one of the relevant areas according to permissions applied for and overall nature of the firm.

Cancellations quarterly KPIs:2017/2018

Cancellations: to determine an application for Cancellation of Part 4A Permission

(Applicable service standards: Appendix I)



| Processing times of cases completed in quarter (weeks) | | | | | |
|--|-----|------|------|--------|------|
| | Min | Mean | Mode | Median | Max |
| FY2016/17 Q4 | <1 | 7.2 | 1 | 2.7 | 58.3 |
| FY2017/18 Q1 | <1 | 6.4 | 1 | 2.7 | 74.7 |
| FY2017/18 Q2 | <1 | 5.8 | <1 | 1.4 | 51 |
| FY2017/18 Q3 | <1 | 4.9 | <1 | 1.1 | 52 |

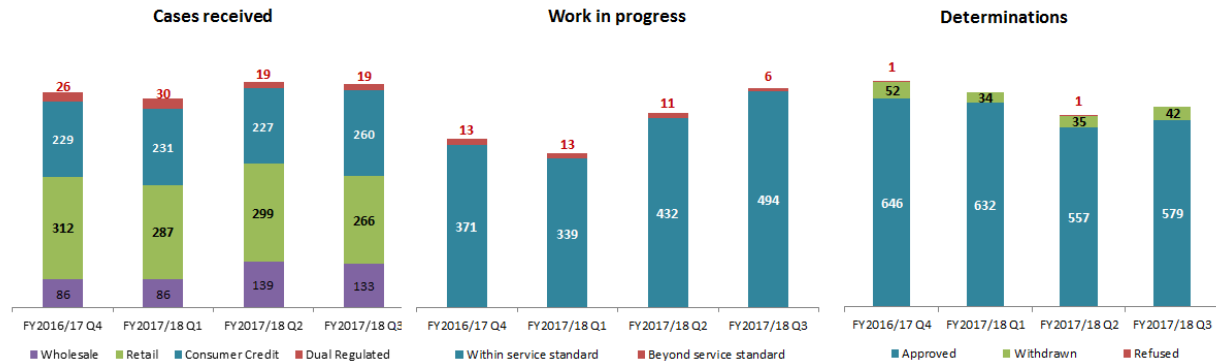
| Service standards | | | |
|-------------------|--------------------------------|---|------------------------------|
| | Cases required within standard | Of those required, cases determined within standard | % determined within standard |
| FY2016/17 Q4 | 571 | 571 | 100.0% |
| FY2017/18 Q1 | 450 | 450 | 100.0% |
| FY2017/18 Q2 | 734 | 732 | 99.7% |
| FY2017/18 Q3 | 454 | 453 | 99.8% |

Cancellations have a seasonal pattern where receipts rise in the third and fourth quarters of the financial year. The number of cases determined also increased as a result of this pattern. Work in progress rose by proportionately less than receipts during Q3.

Variations of permission quarterly KPIs: 2017/2018

Variations of permission (VoP): to process an application from an authorised firm for VoP

(Applicable service standards: Appendix I)



| Processing times of cases completed in quarter (weeks) | | | | | |
|--|-----|------|------|--------|-------|
| | Min | Mean | Mode | Median | Max |
| FY2016/17 Q4 | <1 | 9.4 | 1 | 5.3 | 110 |
| FY2017/18 Q1 | <1 | 7.8 | 2 | 4.6 | 83.1 |
| FY2017/18 Q2 | <1 | 8.2 | <1 | 5.7 | 131 |
| FY2017/18 Q3 | <1 | 10.6 | 6 | 8 | 138.9 |

| Service standards | | | |
|-------------------|--------------------------------|---|------------------------------|
| | Cases required within standard | Of those required, cases determined within standard | % determined within standard |
| FY2016/17 Q4 | 818 | 817 | 99.9% |
| FY2017/18 Q1 | 627 | 623 | 99.4% |
| FY2017/18 Q2 | 694 | 690 | 99.4% |
| FY2017/18 Q3 | 609 | 605 | 99.3% |

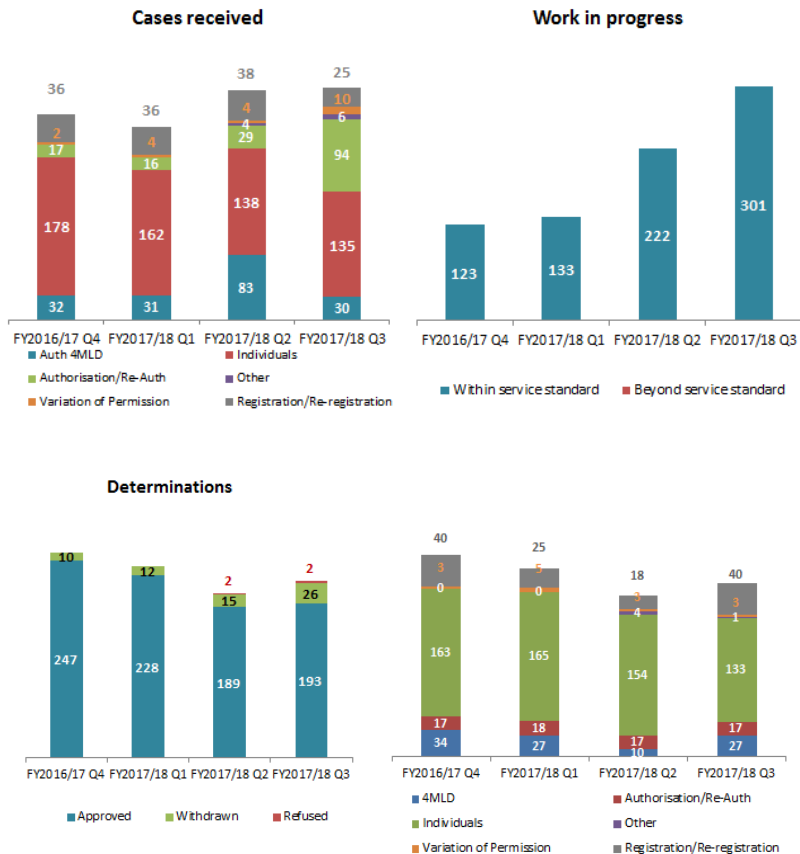
The number of wholesale and retail Variation of Permission (VoPs) applications received has stabilised in Q3. Reduction in receipts for Retail applications reflects seasonal trends. Consumer credit applications received increased by 10%.

Consumer Credit VoP volumes were also consistent quarter on quarter, but here there are significant differences in complexity between sectors and types of application, and so determination times here vary. A small number of long-standing cases from the transfer of regulation from the OFT continue to be determined each quarter, resulting in breaches of service standard – these cases involve a high degree of complexity, interaction with other authorities and/or refusals. Determinations largely kept pace with receipts.

Payment services and e-money quarterly KPIs: 2017/2018

Payment services and e-money: to process firm application for authorisation/registration or variation of authorisation/registration

(Applicable service standards: Appendix II)



| Processing times of cases completed in quarter (weeks) | | | | | |
|--|-------|------|------|--------|-------|
| | Min | Mean | Mode | Median | Max |
| FY2016/17 Q4 | 0.1 | 5.7 | 1 | 1.6 | 65.1 |
| FY2017/18 Q1 | -20.4 | 4.9 | 2 | 2 | 52 |
| FY2017/18 Q2 | <1 | 6 | 1 | 2.1 | 52 |
| FY2017/18 Q3 | <1 | 9.1 | 1 | 1 | 157.1 |

| Service standards | | | |
|-------------------|--------------------------------|---|------------------------------|
| | Cases required within standard | Of those required, cases determined within standard | % determined within standard |
| FY2016/17 Q4 | 46 | 46 | 100.0% |
| FY2017/18 Q1 | 47 | 47 | 100.0% |
| FY2017/18 Q2 | 25 | 25 | 100.0% |
| FY2017/18 Q3 | 19 | 19 | 100.0% |

With the opening of the gateway for PSD2 applications we have seen an increase in applications for authorisation and re-authorisation in the last quarter. The receipt of PSD2 cases (in particular firms applying to re-authorise) and a large number of interconnected 4MLD cases has led to a significant increase in WIP. The number of determinations is broadly constant but this figure is dependent upon and a reflection of cases received in previous quarters. The level of determinations will rise as PSD2 cases are closed (such cases could not be authorised until the legislation took effect on 13 January 2018).

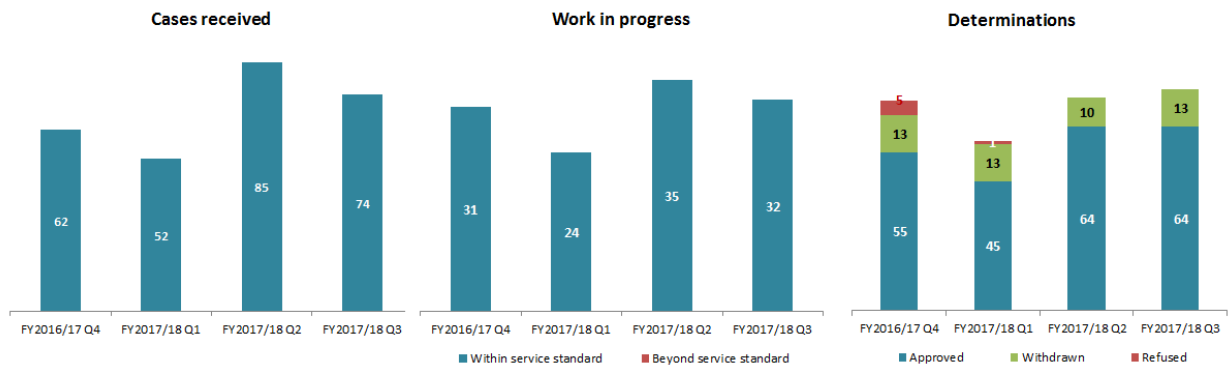
Average processing times are heavily influenced by the volume of individuals cases which are dealt with over a short timescale. The mean average processing times over the four quarters for each type of case were: 4MLD - 12.5 weeks; Authorisation/Re-authorisation - 32.4 weeks; Registration/Re-registration - 21.1 weeks; Individuals - 1.9 weeks; Variation of Permission - 10.9 weeks.

The 157 week case is a 4MLD case which is now closed following the failure of the firm to provide necessary information.

Glossary:

- 4MLD: Fourth Money Laundering Directive cases
- API: Authorised Payment Institution
- AEMI: Authorised E-Money Institution
- SPI: Small Payment Institution
- SEMI: Small E-Money Institution

Waivers KPIs: 2017/2018



| Processing times of cases completed in quarter (weeks) | | | | | |
|--|-----|------|------|--------|------|
| | Min | Mean | Mode | Median | Max |
| FY2016/17 Q4 | <1 | 10 | <1 | 4.1 | 70.1 |
| FY2017/18 Q1 | 0.1 | 6.8 | 1 | 4 | 39 |
| FY2017/18 Q2 | <1 | 4.3 | 2 | 2.1 | 40 |
| FY2017/18 Q3 | 0.1 | 5.1 | 1 | 2.1 | 30.7 |

| Service standards | | | |
|-------------------|--------------------------------|---|------------------------------|
| | Cases required within standard | Of those required, cases determined within standard | % determined within standard |
| FY2016/17 Q4 | n/a | n/a | n/a |
| FY2017/18 Q1 | n/a | n/a | n/a |
| FY2017/18 Q2 | n/a | n/a | n/a |
| FY2017/18 Q3 | n/a | n/a | n/a |

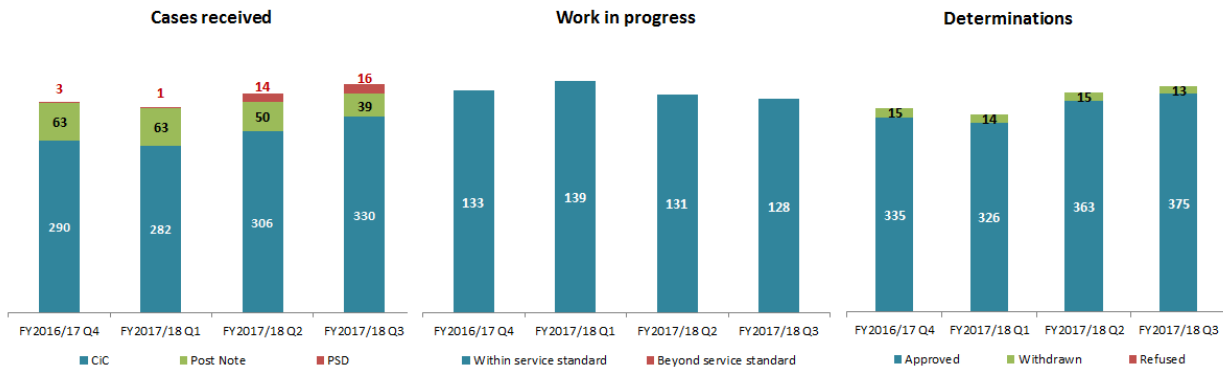
Although receipts remained high in Q3, determinations outpaced receipts, resulting in a slight decrease in Work in Progress.

The fluctuation in mean average processing time is largely a result of changes in the mix of case complexity.

Change in Control KPIs: 2017/2018

Change in Control: to process an application from an authorised firm for a Change in Control (CiC)

(Applicable service standards: Appendix I)



| Processing times of cases completed in quarter (weeks) | | | | | |
|--|-----|------|------|--------|------|
| | Min | Mean | Mode | Median | Max |
| FY2016/17 Q4 | <1 | 6.2 | <1 | 2.7 | 115 |
| FY2017/18 Q1 | <1 | 5 | 1 | 3.3 | 39.4 |
| FY2017/18 Q2 | <1 | 5.1 | 2 | 3.3 | 50 |
| FY2017/18 Q3 | <1 | 4.3 | 1 | 2.6 | 40.3 |

| Service standards | | | |
|-------------------|--------------------------------|---|------------------------------|
| | Cases required within standard | Of those required, cases determined within standard | % determined within standard |
| FY2016/17 Q4 | 253 | 253 | 100.0% |
| FY2017/18 Q1 | 285 | 285 | 100.0% |
| FY2017/18 Q2 | 271 | 271 | 100.0% |
| FY2017/18 Q3 | 299 | 299 | 100.0% |

All Change in Control cases have been determined within the statutory deadlines.

Approximately 90% of Change in Control cases are deemed to be low risk and/or straight-forward. These cases are usually completed within three weeks. Where cases are not low risk or straight-forward, the FCA may need to liaise extensively with internal and external stakeholders including foreign regulators and/or pose questions to the notice-giver(s).

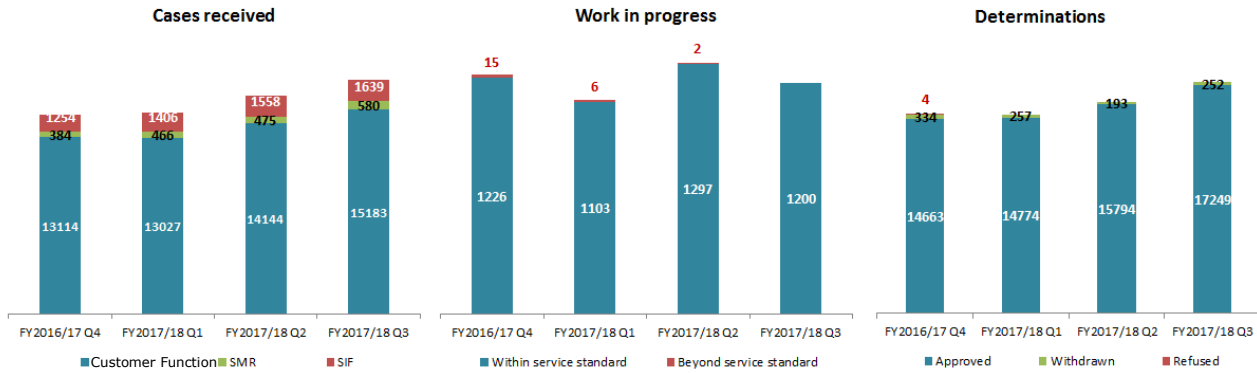
Glossary:

- CiC: Notification of an intended Change in Control
- Post Note: Notification a de-facto change in control (e.g. decrease in ownership)
- PSD: Payment Services Directive-Related Case

Approved Persons KPIs: 2017/2018

Approved Persons: to process an application for approved person status

(Applicable service standards: Appendix III)



| Processing times of cases completed in quarter (weeks) | | | | | |
|--|-----|------|------|--------|-------|
| | Min | Mean | Mode | Median | Max |
| FY2016/17 Q4 | <1 | 2.4 | <1 | 0.3 | 120.9 |
| FY2017/18 Q1 | <1 | 1.1 | <1 | 0.1 | 91.7 |
| FY2017/18 Q2 | <1 | 0.9 | <1 | 0.1 | 81.4 |
| FY2017/18 Q3 | <1 | 0.9 | <1 | 0.1 | 65.6 |

| Service standards | | | |
|-------------------|--------------------------------|---|------------------------------|
| | Cases required within standard | Of those required, cases determined within standard | % determined within standard |
| FY2016/17 Q4 | 5184 | 5166 | 99.7% |
| FY2017/18 Q1 | 5503 | 5486 | 99.7% |
| FY2017/18 Q2 | 5544 | 5539 | 99.9% |
| FY2017/18 Q3 | 5723 | 5720 | 99.9% |

Overall receipts continued to increase in Q3 17/18, whilst Work in Progress (WiP) remained consistent with Q2 due to an increase in determinations of 9%. Most cases are short-lived and so the level of WiP at quarter-end is mostly a function of the number of cases received in the preceding 1 - 2 weeks.

The majority of cases are low-risk and processed well within 5 - 10 days. We continually review our case management processes and upskill our teams in order to ensure an effective risk-based approach. As a result, the average processing time has reduced.

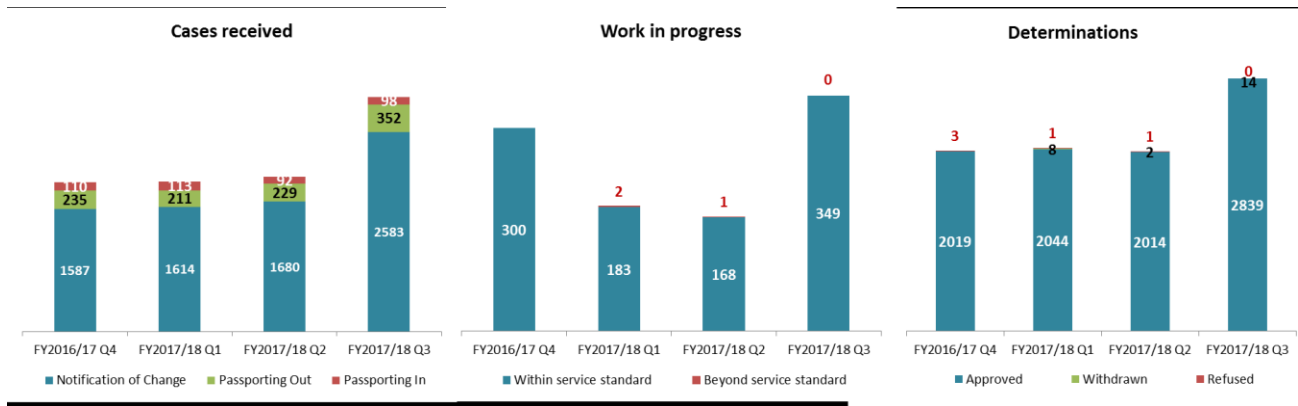
Glossary:

- SMR: An application in respect of individuals from a firm covered by the Senior Managers & Certification Regime.
- SIF: Any application from an individual performing or applying to perform a "Significant Influence Function."
- Customer Function: Any application from an individual, approved person or appointed representative not covered under the above two categories. For example, an application to become an approved person, or an application to cancel an approved person permission.

Passporting KPIs: 2017/2018

Passporting: to process an application from a firm authorised in the UK to carry out business in another EEA member state or process an application from a firm authorised in another EEA member state to carry out business in the UK and process a notification of change from the same

(Applicable service standards: Appendix IV)



| Processing times of cases completed in quarter (weeks) | | | | | |
|--|-----|------|------|--------|-------|
| | Min | Mean | Mode | Median | Max |
| FY2016/17 Q4 | <1 | 2.3 | 1 | 1.9 | 161.9 |
| FY2017/18 Q1 | <1 | 1.5 | <1 | 1.1 | 12.7 |
| FY2017/18 Q2 | <1 | 1.3 | <1 | 1 | 18.3 |
| FY2017/18 Q3 | <1 | 0.9 | <1 | 0.3 | 11.9 |

| Service standards | | | |
|-------------------|--------------------------------|---|------------------------------|
| | Cases required within standard | Of those required, cases determined within standard | % determined within standard |
| FY2016/17 Q4 | 1814 | 1779 | 98.1% |
| FY2017/18 Q1 | 1985 | 1979 | 99.7% |
| FY2017/18 Q2 | 1967 | 1965 | 99.9% |
| FY2017/18 Q3 | 2429 | 2429 | 100.0% |

Case volumes received have increased by over 50% in the last quarter. These mainly relate to MiFID II cases received during the month of December 2017 when the Connect system went live for firms. Work in progress numbers increased in line with the increased case volumes but determinations also significantly increased as the team efficiently processed the additional cases.

The mean average processing time for Passporting cases reduced once again to 0.9 weeks. In the last three quarters breaches were due to cases that were purposely delayed in order to achieve the right regulatory outcomes. In Q3 no cases fell beyond service standard.

Glossary:

- Notification of change: Notification of changes to particulars or to cancel a passport or tied agent.

Appendix I: Relevant Service Standards: Solo-Regulated Permissions

Summaries of relevant statutory service standards are provided. For full details of all service standards, please refer to the FCA Website.

| ID | Area | Description | Target |
|--------------|--------------------------|---|--|
| A1.1a | Corporate Authorisations | To process a complete application for Part 4A permission | 100% within six months of a complete application (s55V(1)) or within 12 months of receipt of an incomplete application (s55V(2)) |
| R5.1 | VoPs | To process a complete application from an authorised firm for Variation of Permission | 100% within 6 months of becoming complete (s55v(1)) or 12 months of receipt of an incomplete application (s55v(2)) |
| R8.1a | Cancellations | To determine an application for Cancellation of Part 4A Permission | 100% within 6 months of becoming complete (s55V(1)) or 12 months of receipt of an incomplete application (s55V(2)) |
| R6.1 | Change in Control | To make a decision following receipt of a 'valid' notification to approve a change in control: Either to notify the s178 notice-giver that the change in control has been approved or to give them a warning notice | 100% within 60 working days of acknowledgment of receipt (s189(1)) |

Appendix II: Relevant Service Standards: Payment Services

Summaries of relevant statutory service standards are provided. For full details of all service standards, please refer to the FCA Website.

| ID | Area | Description | Target |
|-------------|------------------|--|---|
| PS1 | Payment Services | To process a complete application for authorisation under the Payment Services Regulations 2009 | 100% within 3 months of the received date of a complete application or within 12 months of the received date of an incomplete application |
| PS2 | Payment Services | To process a complete application for authorisation under the Electronic Money Regulations 2011 | 100% within 3 months of the received date of a complete application or within 12 months of the received date of an incomplete application |
| PS3 | Payment Services | To process a complete application for registration under the Payment Services Regulations 2009 | 100% within 3 months of the received date of a complete application or within 12 months of the received date of an incomplete application |
| PS4 | Payment Services | To process a complete application for registration under the Electronic Money Regulations 2011 | 100% within 3 months of the received date of a complete application or within 12 months of the received date of an incomplete application |
| PS5 | Payment Services | To process a complete application for a variation of registration under the Payment Services Regulations 2009 | 100% within 3 months of the received date of a complete application or within 12 months of the received date of an incomplete application |
| PS6 | Payment Services | To process a complete application for a variation of registration under the Electronic Money Regulations 2011 | 100% within 3 months of the received date of a complete application or within 12 months of the received date of an incomplete application |
| PS7 | Payment Services | To process a complete application for a variation of authorisation under the Payment Services Regulations 2009 | 100% within 3 months of the received date of a complete application or within 12 months of the received date of an incomplete application |
| PS8 | Payment Services | To process a complete application for a variation of authorisation under the Electronic Money Regulations 2011 | 100% within 3 months of the received date of a complete application or within 12 months of the received date of an incomplete application |
| A1.2 | 3MLD | To process Money Laundering registrations | 100% within 45 calendar days of receipt of application or receipt of any further required information (Reg 34(4) MLRs) |

Appendix III: Relevant Service Standards: Approved Persons

Summaries of relevant statutory service standards are provided. For full details of all service standards, please refer to the FCA Website.

| ID | Area | Description | Target |
|-------|------------------|--|---|
| R1.1a | Approved Persons | To process an application for approved person status | 100% within 3 months of receipt unless attached to an application for part 4A permission (when it is the later of (i) 3 months after receipt or (ii) 6 months after receipt of a complete application for part 4A permission, or 12 months after receipt of an incomplete |

Appendix IV: Relevant Service Standards: Passporting

| ID | Area | Description | Target |
|--------------|-------------|--|--|
| R10.1 | Passporting | To process a notification of changes by a firm authorised by the FSA already carrying out business in another EEA member state, under freedom of establishment, within the timeframe set by the relevant directive | 100% within one month of notification |
| R10.2 | Passporting | To process a notification of changes by a firm authorised by the FSA already carrying out business in another EEA member state, under freedom of services, within the timeframe set by the relevant directive | 100% within one month of notification |
| N3.1 | Passporting | (Inward establishment) To process a notification received via another EEA member state for one of its authorised firms to carry out business in the UK, under freedom of establishment, within timeframe set by relevant directive | 100% within two months of receipt (Sch 3, 13) |
| N3.2 | Passporting | (Inward service) To process a notification received via another EEA member state for one of its authorised firms to carry out business in the UK, under freedom of services, within the timeframe set by the relevant directive | 100% within two months of receipt (Sch 3, 14) |
| N4.1 | Passporting | (Outward establishment) To process a notification received from a UK authorised firm to carry out business in another EEA member state, under freedom of establishment, within the timeframe set by the relevant directive | 100% within three months of receipt (Sch 3,19) [Note that the required period is less under some directives] |
| N5.1 | Passporting | (Outward service) To process a notification received from a UK authorised firm to carry out business in another EEA member state, under freedom of services, within the timeframe set by the relevant directive | 100% within one month of receipt (Sch 3, 20) |